

Migration Rate and Housing Prices: Empirical Evidence from East Asia and Southeast Asia Countries

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International migration has a long history in Asia, but in recent years it has reached unprecedented levels of magnitude, diversity, and significance. Migration has had a significant impact on the economic, social, and demographic growth of Asian countries. Evaluating migration is more difficult than fertility or humanity, and it is exacerbated in the case of international migration by the prevalence of undocumented migration. This is especially true in China, where a large number of floating populations migrate to locations with higher level of economic development. Massive migration to cities would result in a surge in demand for urban housing, driving up housing prices. This has exacerbated Asia's housing affordability crisis. Increases in housing prices have also resulted in a host of social and economic issues in a country, including the financial system collapsing and household wealth being harmed. Therefore, this study aims to investigate the impact of migration on housing prices, as well as unemployment rate, lending rate, and gross national income in East Asia (China, Hong Kong, Macau, Taiwan) and Southeast Asia countries (Malaysia, Indonesia, Philippines, Singapore). The panel data is used, which spans the period of 2000 to 2017 with a total of 144 observations. The panel autoregressive distributed lag is employed to examine the relationship between variables and housing prices, while the causality between variables is determined by panel vector error correction model. The findings show that migration rate is negatively related to housing prices. This might be owing to a rise in the number of immigrants, which would lead housing developers to anticipate increased housing demand and boost housing supply. As a result, there is a reduction of upward pressure on housing prices. Meanwhile, the unemployment rate and gross national income possess a positive effect on housing prices. Interestingly, a bidirectional causality is found between migration rate and housing prices. This indicates that migration is an important indicator in influencing housing prices, and that changes in housing prices also result in net migration. With this, policymakers should consider social security as well as wages and employment conditions to regulate the migration and stabilize the housing prices.

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